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SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

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CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

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E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

11. Mideast

¶2. U.S.-Israel Relations

Key stories in the media:

Leading media reported that last night Israel cut power supply to Gaza by less than 1%. The media reported that Israel will

eventually lower the amount of electricity it supplies Gaza to a mere 5% of the original total. Israel Radio quoted State Department Deputy Spokesman Tom Casey as saying on Thursday: "We continue to be concerned about the humanitarian situation in Gaza.... We donQt want to see Israel do anything that would worsen the humanitarian situation for the people of Gaza and IQm sure weQll continue to convey that position." The radio also reported that the Israeli human rights organization B'Tselem and Human Rights Watch condemned Israel's actions. Major media cited Egypt's reservations about Hamas's actions and the tension between the two.

Media reported that eight Palestinians were killed in the Gaza Strip in IDF operations on Thursday. During a small-scale operation in Gaza, the IDF uncovered underground tunnels used by militants to conceal rocket launchers used to attack southern Israel. Israeli security sources were quoted as saying that this kind of operational know-how was taught to Palestinians by Hizbullah. Major media reported that Likud Chairman Binyamin Netanyahu visited Sderot on Thursday. He was quoted as saying that the government's policy in southern Israel is the direct continuation of its policy of capitulation. He hinted that a government under his leadership would introduce a tough policy against Hamas. The Jerusalem Post quoted GOI officials as saying on Thursday that if the Qassam rocket fire on the western Negev continues unabated, the government will have to decide whether to further ratchet up its reaction by targeting top Hamas political leaders.

Ha'aretz reported that according to briefings recently presented to senior ministers, Syria has successfully developed a new surface-to-surface missile that would enable it to target with greater accuracy Israeli installations such as airports, ports, and factories. According to the information, Syria developed the new missile with Iranian support, which is further indication of the tight strategic bonds between the two countries. Many of these strategic ties revolve around military and intelligence cooperation.

In Yediot's lead story, prominent liberal author David Grossman, who lost a son in the Second Lebanon War, lashed harsh criticism of Israel's leadership and called on Israel to reinvent itself.

The Jerusalem Post reported that Southern Police chief Cmdr. Uri Bar-Lev has called on the government to build a crucial Hebron-area stretch of the security barrier.

Citing Reuters, Ha'aretz quoted the Quartet's Middle East envoy Tony Blair as saying on Thursday that Palestinian security forces had significantly improved and that they were starting to carry out their part in the Roadmap.

Israel Radio and other media quoted Palestinian PM Salam Fayyad as saying in Texas that no Israeli-Palestinian agreement will be reached this year.

Leading media reported that on Monday Shlomo Mula (Kadima) will be sworn in as a Knesset member, replacing Avigdor Yitzhaki, who resigned on Thursday. Mula will be the second Ethiopian-Israeli to serve in the Knesset.

The Jerusalem Post reported that visiting UNESCO Director-General Koichiro Matsuura told the newspaper on Wednesday that "Israel has become a very important part of UNESCO."

Ha'aretz reported that at a meeting on Thursday, PM Ehud Olmert, Finance Minister Roni Bar-On, and Industry and Trade Minister Eli Yishai did not ask Bank of Israel Governor Stanley Fischer to intervene in the foreign exchange markets, despite exporters' hopes to make the GOI combat the effect of the U.S. dollar's decline. Ha'aretz (English Ed.) reported that the income of many U.S. expatriates in Israel has dropped by as much as 20% as a result of the plummeting U.S. dollar.

Maariv quoted sources as saying that President Shimon Peres will support granting a pardon to Omri Sharon, the former PM's son, who was sentenced to seven months in jail for concealing illegal contributions from secret donors to his father's 1999 campaign for the chairmanship of the Likud Party.

Ha'aretz reported that Education Minister Prof. Yuli Tamir announced

on Thursday that the 2008 Israel Prize in Political Science will be awarded to historian and political theorist Zeev Sternhell, Hebrew University Professor, and liberal Ha'aretz columnist.

Makor Rishon-Hatzofe printed the results of a Maagar Mohot poll:

If the elections were held today, for which party would you vote?

(In Knesset seats) Likud: 34; Labor Party: 19; Kadima: 11; Shas: 11; Yisrael Beiteinu: 10; Meretz: 7; National Union-National Religious Party: 6; United Torah Judaism: 6; Arab parties: 6; Greens: 4; Pensioners Party: 3

In your opinion, did Ehud Barak gain or lose politically by deciding to remain in the government after the Winograd report? Gained: 18%; Lost: 57%; No response/other responses: 25%

### 11. Mideast:

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#### Summary:

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The independent, left-leaning Ha'aretz editorialized: "Israel should be interested in the orderly opening of a crossing to Egypt and in lifting the total blockade on the Strip -- a siege that has so far not furthered any of Israel's goals."

Prominent liberal author David Grossman, who lost a son in the Second Lebanon War, wrote on page one of the mass-circulation, pluralist Yediot Aharonot: "Israeli society cannot start to recover as long as Ehud Olmert is its leader and guide.... The formation of an [alternative] movement in the void that exists in our public space ... could start up an interesting initiative, which could perhaps awaken the good and vitalizing forces embodied in Israeli society."

National Union-National Religious Party Knesset Member Arieh Eldad wrote in the popular, pluralist Maariv: "Olmert will not dare expose Bush's perfidy. We'll have to be on our own when facing Iran."

#### Block Quotes:

#### ¶I. "Open the Rafah Crossing"

The independent, left-leaning Ha'aretz editorialized (2/8):
"Following a brief and sporadic hiatus, the cycle of violence recently resumed on both sides in the Gaza Strip... Israel, just like Egypt, is of course unable to agree to a breached border that is open to all. On the other hand, the fact the Qassam attacks slowed to a near standstill during the days the crossing was open suggests that Israel should be interested in the orderly opening of a crossing to Egypt and in lifting the total blockade on the Strip -- a siege that has so far not furthered any of Israel's goals.... An opening of the Gaza Strip could signal the start of a new chapter in the history of this poor and wretched territory. This is not a move free of risk, and the concerns of Egypt and Israel regarding its implications are justified. It is possible to prepare for them through close supervision of the crossing. On the other hand, all the other alternatives, which only imply mutual bloodletting, are much worse. The Qassam attacks will end only when the Palestinians have something to lose. This has so far not come about through Israeli retaliatory actions; it may occur if the blockade is lifted in the Gaza Strip, at least in the southern border."

#### II. "Movement in the Void"

Prominent liberal author David Grossman, who lost a son in the Second Lebanon War, wrote on page one of the mass-circulation, pluralist Yediot Aharonot (2/8): "Israel has great and impressive capabilities, but what did we see when we looked at ourselves during the war? We saw a highly powerful body groping its way in a kind of numb daze, moving around hesitantly and clumsily, and without knowing where it is headed. We were like a blind giant flailing about in all directions with his arms, while much smaller, weaker figures sunk their teeth into his flesh, shedding his blood and exhausting him, until it appears as if he may fall to the ground any

moment... Now, sixty years after its founding, Israel must devise content that will refuel its journey.... Israeli society cannot start to recover as long as Ehud Olmert is its leader and guide.... But what can be done now, in the situation that has arisen? None of the candidates to replace Olmert appears capable of creating this vital recovery process on his own, and some of them will only hasten the deterioration.... The formation of an [alternative] movement in the void that exists in our public space, and the very willingness to fight for something, and the very declaration that we are fed up with being the victims of such a mediocre, feeble leadership -- all these could start up an interesting initiative, which could perhaps awaken the good and vitalizing forces embodied in Israeli society. Perhaps then, a public shock wave will be created, which will increase until even the state's leaders will have to listen to it. Until then, until this happens, we will not come out of it."

#### III. "Who Needs Enemies?"

National Union-National Religious Party Knesset Member Arieh Eldad wrote in the popular, pluralist Maariv (2/8): "Bush is apparently Olmert's friend: he often congratulates him.... But is he a friend of Israel?.... It is worth remembering that Bush was the first American president who recognized the Palestinians' right to an independent state. He is the one who forced Israel to let Hamas participate in 'democratic elections' and helped it come to power. He is the one who is pressuring Israel to remove roadblocks in Judea and Samaria [i.e. the West Bank] and to vacate 'unauthorized outposts'... Olmert, whose entire political existence depends on his friend from the United States and its peace-within-a-year outline they devised together at Annapolis, without which the Israeli left would not have given him a safety net [in the Knesset] -- this Olmert will not dare expose Bush's perfidy. We'll have to be on our own when facing Iran. I wish we were without Olmert as well. With a prime minister who failed in war, there no longer is a need for enemies."

# 12. U.S.-Israel Relations:

#### Summary:

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Columnist Calev Ben-David wrote in the conservative, independent Jerusalem Post: "When it comes to Israel in general, McCain ... has no real problem with his party's conservative base.... There is little in his past to indicate he would follow any deviant solo course in his handling of the situation here."

## Block Quotes:

"'Maverick' McCain Likely to Follow Consensus on Israel Policy"

Columnist Calev Ben-David wrote in the conservative, independent

Jerusalem Post (2/8): "When it comes to Israel in general, McCain ... has no real problem with his party's conservative base. He has been a strong, steady supporter of the Jewish State whose views on the strategic relationship between Washington and Jerusalem, as well on how to advance the peace process, fall well within the Republican mainstream.... Filling in the blanks on just exactly how much a 'priority' arriving at an Israeli-Palestinian peace would be in his administration will no doubt increasingly occupy the minds of Israel's supporters in the coming months, as McCain comes ever closer to securing the nomination, and possibly the presidency.... While McCain may well be a maverick in other areas, when it comes to Israel and its Arab neighbors there is little in his past to indicate he would follow any deviant solo course in his handling of the situation here."